



6560-50-P

## ENVIRONMENTAL PROTECTION AGENCY

### 40 CFR Part 52

[EPA-R09-OAR-2013-0778; FRL- 9907-56-Region 9]

#### Disapproval of State Implementation Plan Revisions; Clark County, Nevada

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Final rule.

**SUMMARY:** The Environmental Protection Agency (EPA) is finalizing disapproval of revisions to the Clark County portion of the Nevada State Implementation Plan (SIP). This action concerns affirmative defense provisions applicable to violations related to excess emissions from sources during equipment startup, shutdown and malfunction (SSM) events. Under authority of the Clean Air Act (CAA or the Act), this action identifies deficiencies with these provisions preventing EPA's approval of them as SIP revisions.

**DATES:** This rule is effective on [Insert date 30 days from the date of publication in the Federal Register].

**ADDRESSES:** EPA has established docket number EPA-R09-OAR-2013-0778 for this action. Generally, documents in the docket for this action are available electronically at [www.regulations.gov](http://www.regulations.gov) and in hard copy at EPA Region IX, 75 Hawthorne Street, San Francisco, California 94015-3901. While all documents in the docket are listed at [www.regulations.gov](http://www.regulations.gov), some information may be publicly available only at the hard copy location (e.g., copyrighted material, large maps), and some may not be publicly available in either location (e.g., CBI). To inspect the hard copy materials, please schedule an appointment during normal business hours

with the contact listed in the **FOR FURTHER INFORMATION CONTACT** section.

**FOR FURTHER INFORMATION CONTACT:** Idalia Perez, EPA Region IX, (415) 942-3248, Perez.Idalia@epa.gov.

**SUPPLEMENTARY INFORMATION:** Throughout this document, “we,” “us” and “our” refer to EPA.

## Table of Contents

- I. Proposed Action
- II. Public Comments and EPA Responses
- III. EPA Action
- IV. Statutory and Executive Order Reviews

### **I. Proposed Action**

On December 10, 2013 (78 FR 74057), EPA proposed to disapprove the following section of the Clark County Air Quality Regulations (CCAQR) that was amended by the Clark County Board of Commissioners (CCBC) and submitted to EPA on behalf of the Clark County Department of Air Quality and Environmental Management (DAQEM) by the State of Nevada Division of Environmental Protection (NDEP) for incorporation into the Nevada SIP.

Local Agency	Regulation Number and Title	Amended	Submitted
DAQEM	Section 25: Affirmative Defense for Excess Emissions Due to Malfunctions, Startups, and Shutdown	May 18, 2010	September 1, 2010

We proposed to disapprove this SIP submission because some of the rule provisions do

not satisfy the requirements of section 110 and part D of title I of the Act. These provisions include the following:

1. Sections 25.1 and 25.3 are inconsistent with the requirements provided in CAA section 110(a) and conflict with the fundamental enforcement structure provided in CAA sections 113 and 304, because they create an affirmative defense to monetary penalties for violations due to excess emissions from sources during startup and shutdown events. EPA believes that providing an affirmative defense applicable to avoidable violations, such as those resulting from excess emissions during planned events such as startups and shutdowns that are within the source's control, is inconsistent with the requirements provided in CAA section 110(a) and the fundamental enforcement structure provided in CAA sections 113 and 304, which provide for potential civil penalties for violations of SIP requirements.
2. The criteria for qualifying for an affirmative defense to monetary penalties for violations due to excess emissions from sources during malfunction events in CCAQR Section 25.2 are not fully consistent with CAA requirements. EPA has guidance making recommendations for criteria appropriate for affirmative defense provisions applicable in the case of malfunction events that would be consistent with the CAA. EPA's 1999 SSM Policy<sup>1</sup> and the February 22, 2013 Proposed SSM SIP Call<sup>2</sup> lay out these criteria. These

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<sup>1</sup> Memorandum dated September 20, 1999, from Steven A. Herman, Assistant Administrator for Enforcement and Compliance Assurance, and Robert Perciasepe, Assistant Administrator for Air and Radiation, entitled "State Implementation Plans: Policy Regarding Excess Emissions During Malfunctions, Startup, and Shutdown" ("1999 Policy").

<sup>2</sup> State Implementation Plans: Response to Petition for Rulemaking; Findings of Substantial Inadequacy; and SIP Calls To Amend Provisions Applying to Excess Emissions During Periods of Startup, Shutdown, and Malfunction,

criteria are guidance and states do not need to track EPA's recommended wording verbatim, but states should have SIP provisions that are consistent with these recommendations in order to assure that an affirmative defense for monetary penalties applicable in the case of malfunction events satisfies EPA's interpretation of CAA requirements. EPA interprets the CAA to allow only narrowly drawn affirmative defense provisions. The affirmative defense criteria set forth in Section 25.2.1 are not sufficiently consistent with these recommended criteria for affirmative defense provisions in SIPs for malfunctions.

Our proposed action contains more information on the basis for this rulemaking and on our evaluation of the submission.

## **II. Public Comments and EPA Responses**

EPA's proposed action provided a 30-day public comment period. During this period, we received only one set of comments, from Laurie Williams, Sierra Club, letter dated January 9, 2014.

The comments and our responses are summarized below.

**Comment #1:** Sierra Club supports EPA's proposal because the affirmative defenses provided in Clark County Section 25 "conflict with the CAA and EPA policy." In particular, the commenter stated that EPA should not approve the SIP revision at issue because the Agency is required to disapprove any SIP revision that does not meet all applicable CAA requirements or that would interfere with any applicable CAA requirement.

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February 22, 2013 (78 FR 12460) ("February 22, 2013 Proposed SSM SIP Calls"); also EPA's February 4, 2013 Statutory, Regulatory, and Policy Context Memorandum for the February 22, 2013 Proposed SSM SIP Calls.

**Response #1:** EPA acknowledges the commenter's support, in part, for the proposed action. EPA agrees that any SIP revision must be measured against the applicable substantive requirements of the CAA and the requirements of section 110(l) in particular. In this action, EPA has determined that Sections 25.1, 25.2, and 25.3 are inconsistent with the requirements provided in the CAA for the reasons explained in the proposed action.

**Comment #2:** Sierra Club disagrees with EPA's statements in the proposal that affirmative defenses for monetary penalties in the case of violations due to excess emissions during malfunctions may be consistent with the CAA if appropriately drawn. The commenter asserts that such affirmative defenses contravene the CAA "because they limit courts' discretion to assess penalties for violations and prevent courts from considering statutory factors." The commenter further argues that such affirmative defense provisions are inconsistent with the CAA requirement that SIP emission limits be "continuous" and that such provisions "critically disrupt the fundamental enforcement structure of the Act." The commenter provides additional assertions to support this position and includes its comments on another EPA proposed rule related to affirmative defense provisions in Oklahoma.

**Response #2:** EPA is disapproving the SIP revision with respect to CCAQR Section 25 for the reasons set forth in the proposal and summarized above. The commenter argues that EPA should identify additional reasons for disapproval, including an argument that CAA section 113 unequivocally precludes such affirmative defenses. As explained in the proposal, EPA interprets the CAA to allow appropriately drawn affirmative defenses in SIP provisions in the case of violations due to excess emissions during malfunction events, if the affirmative defense is consistent with guidance recommendations for such provisions. However, EPA notes that it is

not necessary to respond to the substance of this comment because our action would not change were we to include additional reasons for disapproval. EPA has concluded that the affirmative defense provisions both for malfunction events and for startup and shutdown events embodied in CCAQR Section 25 are not consistent with EPA's interpretation of the CAA for such provisions for the reasons articulated in the proposal, regardless of the additional theories advanced by the commenter in this comment.

In the event that DAQEM elects to respond to our disapproval action by revising and resubmitting CCAQR Section 25 to address the deficiencies we have identified in the current provisions, the commenter will then have an opportunity to pursue its argument that there are additional reasons for disapproval of the revised affirmative defense provisions. If that occurs in the future, EPA will evaluate the substance of the new SIP submission in light of the laws, policies, and other relevant circumstances in effect at that time.

### **III. EPA Action**

No comments were submitted that change our assessment of CCAQR Section 25 as described in our proposed action. Therefore, as authorized in section 110(k)(3) of the Act, EPA is finalizing a disapproval of Section 25 as submitted. Affirmative defenses for excess emissions and other elements of Section 25 are not required by the Act, and the absence of affirmative defenses for excess emissions does not make a SIP deficient. Therefore, there are no sanction implications as described in CAA section 179 and 40 CFR 52.31, and no Federal Implementation Plan (FIP) implications as described in CAA section 110(c) as a result of this disapproval. Note that the submitted Section 25 has been adopted locally by the DAQEM, and EPA's final disapproval does not prevent sources from asserting an affirmative defense in state court. The

state law affirmative defenses will not, however, be effective in the event of any action to enforce the requirements of the SIP pursuant to CAA section 304 or section 113.

#### **IV. Statutory and Executive Order Reviews**

##### **A. Executive Order 12866, Regulatory Planning and Review**

The Office of Management and Budget (OMB) has exempted this regulatory action from Executive Order 12866, entitled “Regulatory Planning and Review.”

##### **B. Paperwork Reduction Act**

This action does not impose an information collection burden under the provisions of the Paperwork Reduction Act, 44 U.S.C. 3501 *et seq.* Burden is defined at 5 CFR 1320.3(b).

##### **C. Regulatory Flexibility Act**

The Regulatory Flexibility Act (RFA) generally requires an agency to conduct a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. Small entities include small businesses, small not-for-profit enterprises, and small governmental jurisdictions.

This rule will not have a significant impact on a substantial number of small entities because SIP disapprovals under section 110 and title I, part D of the Clean Air Act do not create any new requirements but simply disapprove requirements that the State is already imposing. Therefore, because EPA’s disapproval does not create any new requirements, I certify that this action will not have a significant economic impact on a substantial number of small entities.

Moreover, due to the nature of the Federal-State relationship under the Clean Air Act, preparation of flexibility analysis would constitute Federal inquiry into the economic

reasonableness of State action. The Clean Air Act forbids EPA to base its actions concerning SIPs on such grounds. Union Electric Co., v. U.S. EPA, 427 U.S. 246, 255-66 (1976); 42 U.S.C. 7410(a)(2).

**D. Unfunded Mandates Reform Act**

Under sections 202 of the Unfunded Mandates Reform Act of 1995 (“Unfunded Mandates Act”), signed into law on March 22, 1995, EPA must prepare a budgetary impact statement to accompany any proposed or final rule that includes a Federal mandate that may result in estimated costs to State, local, or tribal governments in the aggregate; or to the private sector, of \$100 million or more. Under section 205, EPA must select the most cost-effective and least burdensome alternative that achieves the objectives of the rule and is consistent with statutory requirements. Section 203 requires EPA to establish a plan for informing and advising any small governments that may be significantly or uniquely impacted by the rule.

EPA has determined that the disapproval action promulgated does not include a Federal mandate that may result in estimated costs of \$100 million or more to either State, local, or tribal governments in the aggregate, or to the private sector. This Federal action disapproves pre-existing requirements under State or local law, and imposes no new requirements. Accordingly, no additional costs to State, local, or tribal governments, or to the private sector, result from this action.

**E. Executive Order 13132, Federalism**

*Federalism* (64 FR 43255, August 10, 1999) revokes and replaces Executive Orders 12612 (Federalism) and 12875 (Enhancing the Intergovernmental Partnership). Executive Order 13132 requires EPA to develop an accountable process to ensure “meaningful and timely input



by State and local officials in the development of regulatory policies that have federalism implications.” “Policies that have federalism implications” is defined in the Executive Order to include regulations that have “substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government.” Under Executive Order 13132, EPA may not issue a regulation that has federalism implications, that imposes substantial direct compliance costs, and that is not required by statute, unless the Federal government provides the funds necessary to pay the direct compliance costs incurred by State and local governments, or EPA consults with State and local officials early in the process of developing the proposed regulation. EPA also may not issue a regulation that has federalism implications and that preempts State law unless the Agency consults with State and local officials early in the process of developing the proposed regulation. This rule will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government, as specified in Executive Order 13132, because it merely disapproves a State rule implementing a Federal standard, and does not alter the relationship or the distribution of power and responsibilities established in the Clean Air Act. Thus, the requirements of section 6 of the Executive Order do not apply to this rule.

**F. Executive Order 13175, Coordination with Indian Tribal Governments**

Executive Order 13175, entitled “Consultation and Coordination with Indian Tribal Governments” (65 FR 67249, November 9, 2000), requires EPA to develop an accountable process to ensure “meaningful and timely input by tribal officials in the development of regulatory policies that have tribal implications.” This final rule does not have tribal

implications, as specified in Executive Order 13175. It will not have substantial direct effects on tribal governments, on the relationship between the Federal government and Indian tribes, or on the distribution of power and responsibilities between the Federal government and Indian tribes.

Thus, Executive Order 13175 does not apply to this rule.

**G. Executive Order 13045, Protection of Children from Environmental Health Risks and Safety Risks**

EPA interprets Executive Order 13045 (62 FR 19885, April 23, 1997) as applying only to those regulatory actions that concern health or safety risks, such that the analysis required under section 5-501 of the Executive Order has the potential to influence the regulation. This rule is not subject to Executive Order 13045, because it disapproves a State rule implementing a Federal standard.

**H. Executive Order 13211, Actions that Significantly Affect Energy Supply, Distribution, or Use**

This rule is not subject to Executive Order 13211, “Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use” (66 FR 28355, May 22, 2001) because it is not a significant regulatory action under Executive Order 12866.

**I. National Technology Transfer and Advancement Act**

Section 12 of the National Technology Transfer and Advancement Act (NTTAA) of 1995 requires Federal agencies to evaluate existing technical standards when developing a new regulation. To comply with NTTAA, EPA must consider and use “voluntary consensus standards” (VCS) if available and applicable when developing programs and policies unless doing so would be inconsistent with applicable law or otherwise impractical.

The EPA believes that VCS are inapplicable to this action. Today's action does not require the public to perform activities conducive to the use of VCS.

**J. Executive Order 12898: Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Population**

Executive Order (EO) 12898 (59 FR 7629 (Feb. 16, 1994)) establishes federal executive policy on environmental justice. Its main provision directs federal agencies, to the greatest extent practicable and permitted by law, to make environmental justice part of their mission by identifying and addressing, as appropriate, disproportionately high and adverse human health or environmental effects of their programs, policies, and activities on minority populations and low-income populations in the United States.

EPA lacks the discretionary authority to address environmental justice in this rulemaking.

**K. Congressional Review Act**

The Congressional Review Act, 5 U.S.C. section 801 et seq., as added by the Small Business Regulatory Enforcement Fairness Act of 1996, generally provides that before a rule may take effect, the agency promulgating the rule must submit a rule report, which includes a copy of the rule, to each House of the Congress and to the Comptroller General of the United States. EPA will submit a report containing this rule and other required information to the U.S. Senate, the U.S. House of Representatives, and the Comptroller General of the United States prior to publication of the rule in the Federal Register. A major rule cannot take effect until 60 days after it is published in the Federal Register. This action is not a "major rule" as defined by 5 U.S.C. section 804(2). This rule will be effective [FEDERAL REGISTER OFFICE: insert date 30 days from date of publication of this document in the Federal Register].

**L. Petitions for Judicial Review**

Under section 307(b)(1) of the Clean Air Act, petitions for judicial review of this action must be filed in the United States Court of Appeals for the appropriate circuit by [FEDERAL REGISTER OFFICE: insert date 60 days from date of publication of this document in the Federal Register]. Filing a petition for reconsideration by the Administrator of this final rule does not affect the finality of this rule for the purposes of judicial review nor does it extend the time within which a petition for judicial review may be filed, and shall not postpone the effectiveness of such rule or action. This action may not be challenged later in proceedings to enforce its requirements (see section 307(b)(2)).

**List of Subjects in 40 CFR Part 52**

Environmental protection, Air pollution control, Carbon monoxide, Incorporation by reference, Intergovernmental relations, Lead, Nitrogen dioxide, Ozone, Particulate matter, Reporting and recordkeeping requirements, Sulfur oxides, Volatile organic compounds.

Dated: February 24, 2014

Jared Blumenfeld,  
Regional Administrator,  
Region IX.

Part 52, Chapter I, Title 40 of the Code of Federal Regulations is amended as follows:

**PART 52—APPROVAL AND PROMULGATION OF IMPLEMENTATION PLANS**

1. The authority citation for Part 52 continues to read as follows:

**AUTHORITY:** 42 U.S.C. 7401 *et seq.*

Subpart DD – Nevada

2. Section 52.1483 is amended by adding paragraph (a)(1)(iv) to read as follows:

**§ 52.1483 Malfunction regulations.**

(a) \* \* \*

(1) \* \* \*

(iv) Section 25, “Affirmative Defense for Excess Emissions Due to Malfunctions, Startup, and Shutdown,” submitted by the Governor on September 1, 2010.